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DIVISION OF OIL, GAS AND MINING

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TO: Wayne Hedberg, Permit Supervisor

FROM: Holland Shepherd, Reclamation Specialist HWS

RE: Meeting with Grand Resource Area Personnel, to Discuss Permits and Memorandum of Understanding, M/037/052, M/019/023, M/037/032, Dry Gulch Gold Project, Hobo #1, Sindor Porject

I met on Wednesday morning, April 25, 1990, with staff of the BLM's Grand Resource Area. The meeting was held to discuss several mining permits in the Grand Resource area and also to discuss some questions that are coming up in regard to the Memorandum of Understanding that we recently negotiated with the BLM and the Forest Service.

I met, at this meeting, with Mr. Brad Palmer, Area Manager, of the Grand Resource area, Miss Terri McParland, District Geologist for the BLM, Moab District, Mr. Elmer Duncan, Minerals Supervisor of the Grand Resource Area office.

Dry Gulch Gold Project

We started off talking about the Dry Gulch Gold Project, which is something that is going to be initiated within the next couple of weeks down in the Grand Resource area. The project is a placer type operation that is going to use some new pneumatic mining technique to extract gold from loose sands around the Hatch Point area. A group of entrepreneurs have come together with money and personnel to develop the site and have approached the Division and the BLM regarding development of the designated site. Both DOGM and the BLM are rather skeptical of the operators ability to extract marketable material or ore from the site. Originally the operator wanted to disturb 160 acres; now the operator plans to initiate the operation with a 5 acre notice. The BLM intends to approve the operators notice, but to watch the operation very closely as it is located in an area of high public visibility, close to Hatch Point, which is right next to Canyon Lands National Park and some very scenic areas on BLM ground.

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Hobo #1

Our second item of discussion was the Hobo, Delbert Burr mine site, which Elmer Duncan and I had visited the day before the meeting. The BLM is concerned that at this mine site, the operator went ahead and did a number of things,

including road construction and plan or site expansion without prior approval or notification to BLM staff.

Sindor Project

The third item we talked about was the Sindor Project, which is a proposed copper mine down in the Lisbon Valley area. A plan was submitted by Kelmine Corporation back in 1986 and approved by both the Division and the BLM at that time. Since then, a new company, Sindor, has come into the picture and is assuming the property from Kelmine. Sindor wants to use the original approved Mine and Reclamation Plan to implement their mining at that site. The original plan was never initiated, in fact, the original bond was returned to the operator and the plan retired in 1987. Brad Palmer, of the BLM, indicated to me that the BLM has no problem with using the original plan as long as Sindor follows it.

We also discussed who would take "lead" at this particular site. A decision needed to be made because about 50% of the land to be affected is on BLM land and about 50% is on DOGM land. This precipitated one or two scenarios, and that was that the BLM would take responsibility of half the site, DOGM the other half; the other was that DOGM would take lead responsibility for the entire site. It was agreed at this meeting that lead responsibility would be given to the Division of Oil, Gas and Mining.

Other Topics

I later spoke with Terri McParland about some things that had developed regarding the smooth operation of our Memorandum of Understanding. I spoke to Terri about the bottleneck problems that we were having with the Moab District in regard to turn-around time and operators calling because of timeframes not being met. She indicated to me that she would talk to her supervisors about these issues that I brought up. Also I talked to Terri about putting some sort of designation on our correspondence so that we would both know which mine sites were being addressed when we were corresponding back and forth. This type of designation will probably come in the form of a legal description. Our mining file numbers do not match up with the file numbers that the BLM uses, which presents a problem and some confusion when letters and correspondence come into the Division office with only the mine operator name on it or a BLM file number. Terri agreed to start putting these legal descriptions on letters of correspondence between DOGM and the BLM.

jb
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